## ALASKA STATE LEGISLATURE



## LEGISLATIVE BUDGET AND AUDIT COMMITTEE Division of Legislative Finance

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## **MEMORANDUM**

DATE: April 29, 2020

TO: Legislative Budget and Audit Committee

FROM: Pat Pitney, Director

SUBJECT: Preparation for May 1, 2020 Legislative Budget & Audit Meeting

On April 21, 2020, OMB submitted 11 RPLs for consideration at the Legislative Budget and Audit Committee's May 1st, 2020 meeting. Legislative Finance's practice is to review submitted RPLs, provide technical analysis and seek legal analysis when necessary. If the analysis establishes that a request is not appropriate for the RPL process, Legislative Finance works with OMB to remedy the issues for resubmission or requests that OMB withdraw the RPL.

Of the original submission, six RPLs are included in this packet for consideration by the LB&A committee. Due to technical and legal concerns identified by Legislative Finance and Legislative Legal Services, the remaining five items do not meet the criteria under AS 37.07.080(h) to be handled through the RPL process. The six valid RPLs, along with Legislative Finance comments, are attached to this memo as well as posted on our web site at <a href="http://www.legfin.akleg.gov/">http://www.legfin.akleg.gov/</a> for committee members to review.

RPL#	Agency	Subject	Amount	Fund Source
05-2020-0074	Department of	U.S. Department of	\$48,000,000	Federal Receipts
	Education and Early	Education CARES Act		(1002)
	Development			Operating
05-2020-0075	Department of	U.S. Department of	\$5,000,000	Federal Receipts
	Education and Early	Agriculture FFCRA and		(1002)
	Development	CARES Act		Operating
05-2020-0076	Department of	National Endowment for	\$421,500	Federal Receipts
	Education and Early	the Arts CARES Act		(1002)
	Development			Operating

12-2020-4049	Department of	USDOJ Byrne-JAG	\$3,585,351	Federal Receipts
	Public Safety	CARES Act		(1002)
				Operating
25-2020-8766	Department of	FY2020 COVID-19	\$29,000,000	Federal Receipts
	Transportation and	Federal Transit		(1002)
	Public Facilities	Administration 5311	:	Capital
		Grants		
45-2020-0002	University of	Coronavirus Aid, Relief	\$5,000,000	Federal Receipts
	Alaska	and Economic Security		(1002)
		(CARES) Act Federal		Operating
		Funding Opportunities		
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The following five items are not included in this packet. As proposed, they fall outside the scope of the RPL process:

- 1. DCCED, Direct Municipal Relief: \$562,500,000 Federal Receipts
- 2. DCCED, Small Business Relief: \$300,000,000 Federal Receipts
- 3. DCCED, COVID-19 Economic Stimulus for Alaskan Fisheries: \$100,000,000 Federal Receipts
- 4. DOT&PF, Statewide Aviation & Rural Airport System CARES FAA: \$49,000,000 Federal Receipts
- 5. DOT&PF, MSCVC & Whittier Access and Tunnel 5001(d) CARES: \$3,034,100 Federal Receipts

If you have any questions that you want an agency to address at the meeting, please call us so we can help ensure the agency has a response prepared.

## Department of Education and Early Development Education Support and Administrative Services Student and School Achievement

Subject of RPL: U.S. Department of	<b>ADN/RPL</b> #: 05-2020-0074
Education CARES Act	
Amount requested: \$48,000,000	Appropriation Authority:
	Sec 1 Ch 1 FSSLA 2019 Pg 11 Ln 11
	Sec 1 Ch 8 SLA 2020 Pg 10 Ln 19
Funding source:	Statutory Authority: AS 14.50.010100, AS
Federal Receipts (1002)	14.07.020
FY2020 Operating (Supplemental Multi-year	
FY2020-2021)	

#### **PURPOSE**

Multi-year (FY2020 – FY2021) federal authorization is required to expend increased federal revenues.

On March 27, 2020, Congress passed the federal act known as the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act. This act includes funding for Elementary and Secondary School Emergency Relief Funds and Governor's Emergency Education Relief Funds.

The Education Stabilization funds must be used by Local Education Agencies for any activity authorized by the Elementary and Secondary Education Act (ESEA), Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act, the Perkins Career and Technical Education Act, or the McKinney-Vento Homeless Assistance Act, in addition to a list of other allowable uses of funds. Ten percent of the funding may be set aside for State Education Agency uses and activities related to coronavirus. The State of Alaska's allocation is estimated to be \$38,408,000.

The Governor's Emergency Education Relief Fund must be used for emergency grants to Local Education Agencies that are significantly impacted by coronavirus, or to support other education related entities within the State deemed essential for carrying out emergency educational services. The State of Alaska's allocation is \$6,503,527.

Both portions of funding require applications for funding be submitted to the U.S. Department of Education. Instructions on the application process, the deadline for submitting the application, and reporting requirements for use of the funding is forthcoming from the U.S. Department of Education.

The actual amount of funding that will be allocated to the State of Alaska is unknown at this time; therefore, the Department of Education and Early Development (DEED) is requesting \$48,000,000 of Federal receipt authority based on the estimated allocation of \$44,911,527.

## PREVIOUS LEGISLATIVE CONSIDERATION

The Legislature has not considered a federal appropriation for Elementary and Secondary School Emergency Relief Funds and Governor's Emergency Education Relief Funds from the CARES Act. DEED's existing appropriation of federal authority is not sufficient to collect and distribute this funding. There are no previous RPLs for this activity.

Agency Contact: Lacey Sanders, Administrative Services Director, 465-8721

LFD Contact: Michael Partlow, Fiscal Analyst, 465-5435

## **TIMING ISSUES**

The CARES Act was passed by Congress and signed into law on March 27, 2020. The Alaska State Legislature recessed on March 29, 2020. Given the timing and lack of guidance provided by the U.S. Department of Education, DEED did not have enough information to request an appropriation during the current legislative process.

The funds are anticipated to become available on April 24, 2020 and will be available for obligation through September 30, 2021. Additional federal authority is necessary now to distribute funding to the Local Education Agencies as quickly as possible.

#### **BUDGETARY ISSUES**

No new positions will be added, and funding will not be used to pay for existing positions within DEED.

**Legislative Fiscal Analyst Comment:** This appropriation has existing federal authority. While the requested RPL is for a multi-year FY20 and FY21 appropriation, the proposed change can only be to the FY20 appropriation. If any of these funds are unspent in FY20, and there is need for additional authority in FY21, an FY21 RPL or supplemental appropriation will be necessary to expend these funds in that fiscal year. Based on federal guidance for this funding, this purpose is an appropriate use of these funds. The Student and School Achievement allocation has \$155 million in existing federal receipt authority in the FY20 budget and \$145 million in the FY21 budget.

The department intends to allocate, by school district, the estimated \$38.4 million in Elementary and Secondary School Emergency Relief Funds (ESSERF) based on Title I-A funding formula, as well as, \$3.7 million of the Governor's Emergency Education Relief Funds (GEER). Approximately \$3.7 million of the total estimated available \$6.5 million from the State of Alaska's allocation of GEER will be distributed to 35 districts, through the foundation formula, in order to ensure all districts receive funding equal to or greater than the allocation of the \$30 million one-time funds vetoed by the Governor. The remaining \$2.8 million of authority for the GEER has not yet been allocated by the Governor. In theory, it could go to either K-12 or higher education needs in the state.

To enable legislative tracking, Legislative Finance will assign federal Covid-19 fund code 1265 to federal appropriations associated with Covid-19.

Agency Contact: Lacey Sanders, Administrative Services Director, 465-8721 LFD Contact: Michael Partlow, Fiscal Analyst, 465-5435

## Department of Education and Early Development Education Support and Administrative Services Child Nutrition

Subject of RPL: U.S. Department of	<b>ADN/RPL</b> #: 05-2020-0075
Agriculture FFCRA and CARES Act	
Amount requested: \$5,000,000	Appropriation Authority:
	Sec 1 Ch 1 FSSLA 2019 pg 11 ln 10
	Sec 1 Ch 8 SLA 2020 pg 10 ln 18
Funding source:	Statutory Authority: AS 14.50.010100, AS
Federal Receipts (1002)	14.07.010
FY2020 Operating (Supplemental Multi-year	
FY2020-2021)	

## **PURPOSE**

Multi-year (FY2020 – FY2021) federal authorization is required to expend increased federal revenues.

On March 18, 2020, Congress passed Phase 2, HR 6201, known as the Families First Coronavirus Response Act or the FFCRA. This act included increased funding for the Commodity Assistance Program. Specifically, \$450 million for the Emergency Food Assistance Program (TEFAP) including \$150 million for costs associated with the distribution of commodities. The Department of Education & Early Development (DEED) acts as the Distributing Agency for the USDA Commodity Program. Eligible outlets include schools and residential childcare institutions participating in the National School Lunch Program, child care centers participating in the Child Care Food Program, approved sponsors of a Summer Food Service Program, food banks, food pantries, soup kitchens, etc.

In addition, on March 27, 2020, Congress passed the federal act known as the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act. This act included funding for the Domestic Food Programs Food and Nutrition Service Child Nutrition Programs. Specifically, \$8.8 billion nationally in additional funds through September 30, 2021 to support federal child nutrition programs to ensure students receive meals when school is not in session. These programs include the National School Lunch and Breakfast Programs, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), the Child and Adult Care Food Program (CACFP) and the Summer Food Service Program (SFSP), all of which have received additional flexibilities and are seeing increased demand in response to the coronavirus.

School nutrition programs across Alaska are meeting the unexpected feeding needs in their communities. School districts are providing meals to students regardless of the student's eligibility. The feeding of all students during this health pandemic helps both families and communities who are facing many economic issues as a result of the coronavirus.

The actual amount of funding that will be allocated to the State of Alaska is unknown at this time; therefore, the Department of Education and Early Development (DEED) is requesting \$5,000,000 of federal receipt authority. This amount is based on the three-year average shortfall that school districts traditionally face from the federal reimbursement of school meals and end up having to offset their school nutrition budget with general funds (approximately \$3,000,000 for a three-month period), plus an additional amount to cover serving meals to all students regardless of their eligibility (approximately \$2,000,000).

Agency Contact: Lacey Sanders, Administrative Services Director, 465-8721

LFD Contact: Michael Partlow, Fiscal Analyst, 465-5435

## PREVIOUS LEGISLATIVE CONSIDERATION

The Legislature has not considered a federal appropriation for the Commodity Assistance Program from the FFCRA or the Domestic Food Programs Food and Nutrition Service Child Nutrition Programs from the CARES Act. DEED's existing appropriation of federal authority is not sufficient to collect and distribute this funding. There are no previous RPLs for this activity.

#### TIMING ISSUES

The FFCRA was passed by Congress and signed into law on March 18, 2020. In addition, the CARES Act was passed by Congress and signed into law on March 27, 2020. The Alaska State Legislature recessed on March 29, 2020. Given the timing and lack of guidance provided by the U.S. Department of Agriculture, DEED did not have enough information to request an appropriation during the current legislative process.

The funds are anticipated to become available during FY2020 and will be available for obligation through September 30, 2021. Additional federal authority is necessary now to distribute funding to the Local Education Agencies as quickly as possible.

### **BUDGETARY ISSUES**

Distribution of funding will be allocated based on participation rates in each school district. No new positions will be added, and funding will not be used to pay for existing positions within DEED.

**Legislative Fiscal Analyst Comment:** This appropriation has existing federal authority. While the requested RPL is for a multi-year FY20 and FY21 appropriation, the proposed change can only be to the FY20 appropriation. If any of these funds are unspent in FY20, and there is need for additional authority in FY21, an FY21 RPL or supplemental appropriation will be necessary to expend these funds in that fiscal year. Based on federal guidance for this funding, this purpose is an appropriate use of these funds. The Child Nutrition allocation has \$77 million in existing federal receipt authority in both the FY20 budget and FY21 budget.

To enable legislative tracking, Legislative Finance will assign federal Covid-19 fund code 1265 to federal appropriations associated with Covid-19.

## Department of Education and Early Development Alaska State Council on the Arts Alaska State Council on the Arts

Subject of RPL: National Endowment for	<b>ADN/RPL</b> #: 05-2020-0076
the Arts CARES Act	
Amount requested: \$421,500	Appropriation Authority:
	Sec 1 Ch 1 FSSLA 2019 pg 11 ln 26
	Sec 1 Ch 8 SLA 2020 pg 10 ln 29
Funding source:	<b>Statutory Authority:</b> AS 44.27.050, AS 44.27.052
Federal Receipts (1002)	
FY2020 Operating (Supplemental Multi-year	
FY2020-2021)	

#### **PURPOSE**

Multi-year (FY2020 – FY2021) federal authorization is required to expend increased federal revenues.

On March 27, 2020, Congress passed the federal act known as the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act. With the \$75 million appropriated to the National Endowment for the Arts (NEA) through the CARES Act, the nonprofit arts industry is recognized as an important sector of America's economy.

This NEA funding will be used for grants to community arts organizations, local arts agencies, and network arts partners for emergency relief in response to COVID-19 to sustain operations and allow for modification and adaptation of delivery of services. As part of this important investment, the NEA has designed a plan to expedite the distribution of critical funds to the national, regional, state, and local levels to help retain as many jobs as possible, as quickly as possible. These funds are intended to help save jobs in the arts sector and keep the doors open to the thousands of organizations that add value to America's economy and the creative life of our communities.

Use of these funds is limited to any or all of the following: (1) salary support, full or partial, for one or more positions that are critical to an organization's artistic mission; (2) fees for artists and/or contractual personnel to maintain or expand the period during which such persons would be engaged; and/or 3) facilities costs such as rent and utilities.

For the Alaska State Council on the Arts (ASCA), since the grant permits, a portion will be used to fund a vacant ASCA Fine Arts Administrator position to help administer this significant increase in grant activity, in addition to ASCA's existing grants portfolio.

An application is required for this funding, and that deadline is April 22, 2020. ASCA will know by June 30, 2020 of grant award acceptance or rejection. Instructions on the application process, the deadline for submitting the application, and reporting requirements for use of the funding is posted on the NEA's website (<a href="https://www.arts.gov/grants-organizations/CARES/grant-program-description">https://www.arts.gov/grants-organizations/CARES/grant-program-description</a>).

The ASCA is expecting \$421,500 in federal CARES Act funding from the NEA.

## PREVIOUS LEGISLATIVE CONSIDERATION

ASCA's existing appropriation of federal authority is not sufficient to collect and distribute this funding as this is an addendum to ASCA's FY2020 federal partnership agreement (federal fiscal year 2019). There are no previous RPLs for this activity or project that have been proposed by ASCA.

## TIMING ISSUES

The CARES Act was passed by Congress and signed into law on March 27, 2020. The Alaska State Legislature recessed on March 29, 2020. Given the timing and lack of guidance provided by the NEA, ASCA did not have enough information to request an appropriation during the current legislative process. Documentation of the amount of funding became available in an email to the Executive Director from the State Arts Director at the NEA on April 8, 2020. The award packet will follow in a few weeks. The funds are imminent as State Arts Agencies across the nation are also receiving similar funding and are listed as such on the NEA's website. Funds will be available to draw down before June 30, 2020. The funds do not lapse, and they can be extended until spent if not expended by September 30, 2022.

If disapproved Alaska's portion of federal relief funds will be redistributed to other states and Alaska's creative sector and jobs, which are linked with tourism, education, and other sectors, will struggle to recover

## **BUDGETARY ISSUES**

These federal funds do not affect the general funds, because they do not require a match. They are not a replacement for the general funds.

This is a one-time request for receipt authority in response to COVID-19 relief funds. There are no indirect cost recovery or fees for services or other considerations in addition to this request.

**Legislative Fiscal Analyst Comment:** This appropriation has existing federal authority. While the requested RPL is for a multi-year FY20 and FY21 appropriation, the proposed change can only be to the FY20 appropriation. If any of these funds are unspent in FY20, and there is need for additional authority in FY21, an FY21 RPL or supplemental appropriation will be necessary to expend these funds in that fiscal year. The Alaska State Council on the Arts allocation has \$806 thousand in existing federal receipt authority in both the FY20 budget and FY21 budget.

To enable legislative tracking, Legislative Finance will assign federal Covid-19 fund code 1265 to federal appropriations associated with Covid-19.

## Department of Public Safety Alaska State Troopers Special Projects

Subject of RPL: USDOJ Byrne-JAG	<b>ADN/RPL #:</b> 12-2020-4049
CARES Act	
Amount requested: \$3,585,351	<b>Appropriation Authority:</b> Sec 1 Ch 8 SLA 2020
_	Pg 28 Ln 28, Sec. 1 Ch 1 FSSLA 2019 Pg 28 Ln 24
Funding source:	Statutory Authority:
Federal Receipts (1002)	AS 44.41.020 – Powers and duties of Department
FY2020 Operating	AS 18.65.010 – AS 19.65.110 (State Troopers)
(Supplemental Multi-year FY2020-2021)	AS 18.65.010 – AS 18.65.086 (Law Enforcement
,	Duties)

## **PURPOSE**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides assistance to state and local law enforcement to assist in preparing for and responding to COVID-19. Specifically, the Act includes \$850 million for the Byrne-Justice Assistance Grant Program (Byrne-JAG). The JAG Program provides states, tribes, and local governments with critical funding necessary to support a range of program areas including law enforcement, prosecution, indigent defense, courts, crime prevention and education, corrections and community corrections, drug treatment and enforcement, planning, evaluation, technology improvement, and crime victim and witness initiatives and mental health programs and related law enforcement and corrections programs, including behavioral programs and crisis intervention teams.

## PREVIOUS LEGISLATIVE CONSIDERATION

There have been no previous RPLs or any other legislative consideration of this request, as funding was made available in response to the COVID-19 pandemic and was not included in the Department's budget request.

## **TIMING ISSUES**

This funding was unanticipated, as were the severity and extensive ramifications of the COVID-19 pandemic. An application to the US Department of Justice (USDOJ) is in progress. Award details are currently developing. Due to the immediate nature of the circumstances, approval is needed as soon as possible.

## **BUDGETARY ISSUES**

This funding is anticipated to be relatively short-term in nature, but it supports the Department's core mission to protect the life, health, and safety of Alaskans, and recognizes that there will likely be an increased demand for service. Funds have not been awarded or spent to date. Current and future budget impacts have not yet been determined, nor have the specific use of funds or deployment of department personnel.

**Legislative Fiscal Analyst Comment:** This appropriation has existing federal authority. DPS routinely manages Byrne JAG grants and on April 27, 2020, received the requested grant funds. While the requested RPL is for a multi-year FY20 and FY21 appropriation, the proposed change can only be to the FY20 appropriation. If any of these funds are unspent in FY20, and there is need for additional authority in FY21, an FY21 RPL or supplemental appropriation will be necessary to expend these funds in that fiscal year.

The Edward Byrne Memorial Justice Assistance Grant (JAG) Program is the primary provider of federal criminal justice grant funding to states and units of local government, and in recent years has averaged \$810.0 in grants through DPS annually.

Agency Contact: Torrey Jacobson, 465-4350 LFD Contact: Kelly Cunningham, 465-3821 RPL# 12-2020-4049 Page 2

To enable legislative tracking, Legislative Finance will assign federal Covid-19 fund code 1265 to federal appropriations associated with Covid-19. Per the Department, funding will be allocated as follows:

- \$1 million to local law enforcement agencies on a rolling reimbursement request basis;
- \$1 million to state criminal justice agencies. Agencies to apply to DPS for funding; and
- \$1.6 million retained by DPS to address increased operational costs due to COVID-19.

Agency Contact: Torrey Jacobson, 465-4350 LFD Contact: Kelly Cunningham, 465-3821

# Department of Transportation and Public Facilities Statewide Federal Programs COVID-19 Federal Transit Administration 5311 Grants

Subject of RPL: FY2020 COVID-19	ADN/RPL #: 25-2020-8766
Federal Transit Administration 5311	
Grants	
Amount requested: \$29,000,000	<b>Appropriation Authority:</b> Sec 1 Ch 3 FSSLA 19
	Pg 8 Ln 23
Funding source: Federal Receipts (1002)	Statutory Authority:
Capital	AS 37.20.010 Acceptance of federal grants
	and transfers of property
	• AS 44.42.060 Grants to the Department
	• 49 U.S.C. § 5301 Transportation
	• 23 U.S.C. § 101 Highways

#### **PURPOSE**

On March 27, 2020, Congress passed the federal act known as the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act. This act includes funding for Federal Transit Administration grants to non-urbanized areas.

The Department of Transportation & Public Facilities (DOT&PF) is requires \$29,000,000 in additional Federal Receipt authority to cover costs associated with the Federal Transit Administration programs incurred due to the COVID-19 pandemic for non-urbanized Areas.

CARES Act funds are available for operating expenses for all Federal Transit Administration 5311 recipients (non-urbanized areas), including administrative leave for transit workers. Operating expenses are those costs necessary to operate, maintain, and manage a public transportation system.

The Alaska Marine Highway System (AMHS) is eligible to receive a portion of the funding from the Federal Transit Authority from the CARES Act (anticipated at \$10.0 million). These funds will be used to pay for COVID-19 eligible costs incurred starting March of 2020. Funds are to prevent, prepare and respond to COVID-19 with a focus on operational expenses. This funding will cover employee's leave charged as COVID-19 admin leave and will pay salaries for employees who are not required to work due to reductions in service levels. Funding can also be used to purchase cleaning and sanitizing supplies and personnel protection equipment. There is no match required for these funds when used for operating expenses.

## PREVIOUS LEGISLATIVE CONSIDERATION

No previous RPLs have been requested for this purpose. The FY2020 Statewide Federal Program budget appropriation includes \$10,000,000 for Federal Transit Administration Grants.

## **TIMING ISSUES**

These federal funds are a result of the COVID-19 pandemic and were made available after the Legislature recessed.

Agency Contact: Don Pannone, 907-957-6214 LFD Contact: Alexei Painter, 465-5434

## **BUDGETARY ISSUES**

This request is directly aligned with the mission of DOT&PF to keep Alaska moving through service and infrastructure. These funds are one-time only funds made available to help states deal with the expenses as result of the COVID-19 pandemic. There will be no future budgets impacts because of this request.

**Legislative Fiscal Analyst Comment:** To enable legislative tracking, Legislative Finance will assign federal Covid-19 fund code 1265 to federal appropriations associated with Covid-19.

Based on the federal guidance for this funding, this purpose is an appropriate use of these funds. This RPL increases the federal appropriation made in an FY20 capital project from \$10 million to \$39 million. These grants go to non-urbanized transit systems, which in Alaska includes municipalities other than Anchorage and Fairbanks (those two transit systems receive federal funds directly). The Alaska Marine Highway System is not typically a recipient, but the Inter-Island Ferry Authority does typically receive a portion of these funds.

There are no technical issues with this RPL.

Agency Contact: Don Pannone, 907-957-6214 LFD Contact: Alexei Painter, 465-5434

## University of Alaska Systemwide Budget Reductions/Additions

Subject of RPL: Coronavirus Aid, Relief	<b>ADN/RPL #:</b> 45-2020-0002
and Economic Security (CARES) Act	
Federal Funding Opportunities	
Amount requested: \$5,000,000	<b>Appropriation Authority:</b> Sec 1 Ch 8 SLA 2020
	Pg 37 Ln 10, Sec 1 Ch 1 FSSLA 2019 Pg 37 Ln 24
Funding source: Federal Receipts (1002)	Statutory Authority: Article VII, Sec 2, Alaska
FY2020 Operating (Supplemental Multi-year	State Constitution, AS 14.40
FY2020-2021)	

#### **PURPOSE**

Multi-year (FY2020 – FY2021) federal authorization is required to expend increased federal revenues.

The Coronavirus Aid, Relief and Economic Security (CARES) Act created the Education Stabilization Fund. The Higher Education Emergency Relief Fund (section 18004(a)(1)), under the Education Stabilization Fund, provides grants directly to higher education students and institutions.

The University of Alaska (UA) received notification of the availability of the first 50% (\$3,940,000) of the total funds (\$7,885,000) UA campuses (UA Anchorage, UA Fairbanks and UA Southeast) will be receiving directly from the Higher Education Emergency Relief Fund. This first 50% can only be used for emergency financial aid grants to UA students, and cannot be used for any institutional costs or to recoup student aid already provided by institutions. The other 50% of UA's allocation is not expected for several more weeks and additional guidance on eligible uses is expected at that time.

## PREVIOUS LEGISLATIVE CONSIDERATION

The increased need for federal receipt authority was not anticipated during the legislative session, thus not requested.

## **TIMING ISSUES**

Additional federal funds are expected from the U.S. Department of Education directly to UA and to students through UA via the federal student aid grant system. In order to receive and expend these funds, UA requests an additional \$5 million in federal receipt authority in both FY2020 and FY2021.

## **BUDGETARY ISSUES**

This budget request relates directly to UA's ability to receive needed federal aid and provide federal aid to students suffering losses due to the current pandemic. There will be no on-going cost related to this temporary increase to UA's federal receipt authority.

**Legislative Fiscal Analyst Comment:** This appropriation has existing federal. Based on federal guidance for this funding, this purpose is an appropriate use of these funds. While the requested RPL is for a multi-year FY20 and FY21 appropriation, the proposed change can only be to the FY20 appropriation. If any of these funds are unspent in FY20, and there is need for additional authority in FY21, an FY21 RPL or supplemental appropriation will be necessary to

Agency Contact: Alesia Kruckenberg, 907-450-8426 LFD Contact: Michael Partlow, 907-465-5435 RPL# 45-2020-02 Page 2

expend these funds in that fiscal year. The University of Alaska appropriation has \$123 million of existing federal receipt authority in both the FY20 budget and FY21 budget. The university has excess federal authority that can be used to cover part of the anticipated funding through the CARES act, however, a large portion of their lapsing federal authority is located in the Community Campuses appropriation and therefore cannot be used for this purpose.

To enable legislative tracking, Legislative Finance will assign federal Covid-19 fund code 1265 to federal appropriations associated with Covid-19.

Agency Contact: Alesia Kruckenberg, 907-450-8426 LFD Contact: Michael Partlow, 907-465-5435